

**APPLICATION FOR PERMISSION TO CHANGE POINT OF
DIVERSION, MANNER OF USE AND PLACE OF USE OF THE
PUBLIC WATERS OF THE STATE OF NEVADA
HERETOFORE APPROPRIATED**

Date of filing in State Engineer's Office SEP 08 1998

Returned to applicant for correction _____

Corrected application filed _____

Map filed OCT 01 1998

The applicant PINSON MINING CO. AND THE GENE & JO CHRISTISON TRUST, ET AL, hereby makeS application for permission to change the PLACE OF USE of water heretofore appropriated under PERMIT NO. 4802 (CERTIFICATE NO. 1621)

1. The source of water is GRANITE CREEK
2. The amount of water to be changed 1.45 CFS - 525.0 ACRE FEET
3. The water to be used for IRRIGATION AND DOMESTIC
4. The water heretofore permitted for IRRIGATION AND DOMESTIC
5. The water is to be diverted at the following point SAME AS EXISTING POINT OF DIVERSION
6. The existing permitted point of diversion is located within THE SW $\frac{1}{4}$ SE $\frac{1}{4}$, SECTION 29, T38N, R42E, M.D.M., OR AT A POINT WHICH BEARS N 87° 15' W, A DISTANCE OF 1,920.0 FEET, FROM THE SW CORNER OF SECTION 28 SAME TOWNSHIP AND RANGE (REFER TO SUPPORTING MAP FILED UNDER PERMIT NO. 4802 - CERTIFICATE NO. 1621).
7. Proposed place of use SE $\frac{1}{4}$ OF SECTION 3, T37N, R42E, M.D.M.
8. Existing place of use 36.66 ACRES IN THE SW $\frac{1}{4}$ SW $\frac{1}{4}$, 38.79 ACRES IN THE SE $\frac{1}{4}$ SW $\frac{1}{4}$, 36.37 ACRES IN THE NE $\frac{1}{4}$ SW $\frac{1}{4}$, AND 33.94 ACRES IN THE SE $\frac{1}{4}$ NW $\frac{1}{4}$ OF SECTION 28, T38N, R42E, M.D.M., CONTAINING 145.76 ACRES.
9. Use will be from APRIL 1 to SEPT. 30 of each year.
10. Use was permitted from APRIL 1 to SEPT. 30 of each year.
11. Description of proposed works SEE ATTACHED LETTER.
12. Estimated cost of works \$300,000
13. Estimated time required to construct works TWO (2) YEARS
14. Estimated time required to complete the application of water to beneficial use FIVE (5) YEARS
15. Remarks: SEE ATTACHED LETTER

By s/Michael D. Buschelman
Michael D. Buschelman
5405 MAE ANNE AVENUE
RENO, NV 89523

Compared my/cms dl/cmf

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the place of use of the waters of Granite Creek as heretofore granted under Permit 4802, Certificate 1621 is issued subject to the terms and conditions imposed in said Permit 4802, Certificate 1621 and with the understanding that no other rights on the source will be affected by the change proposed herein. A substantial headgate and measuring device must be installed and maintained to facilitate the measurement and control of water. The State reserves the right to regulate the use of the water under this proposed change at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

Monthly records shall be kept of the amount of water diverted from this source and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

The quarterly report shall include: (a) the monthly measurements of water diverted for mining and milling purposes and; (b) the monthly measurements of water diverted for irrigation and domestic purposes.

(PERMIT TERMS CONTINUED)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.45 cubic feet per second, but not to exceed 525.0 acre-feet seasonally.

Work must be prosecuted with reasonable diligence and be completed on or before:

September 28, 2001

Proof of completion of work shall be filed before:

October 28, 2001

Water must be placed to beneficial use on or before:

September 28, 2004

Proof of the application of water to beneficial use shall be filed on or before:

October 28, 2004

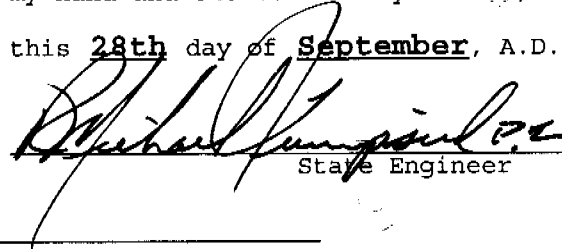
Map in support of proof of beneficial use shall be filed on or before:

October 28, 2004

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,

State Engineer of Nevada, have hereunto set
my hand and the seal of my office,

this 28th day of September, A.D. 1999


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

Abrogated By: 68183 1.45

ATTACHMENTAPPLICANTS

Pinson Mining Company
Attn: Todd Lewis
Environmental Coordinator
P.O. Box 129
Winnemucca, NV 89446

50% Undivided Interest - 262.50 Acre Feet

The Gene & Jo Christison Trust, et al
P.O. Box 26
Golconda, NV 89414

50% Undivided Interest - 262.50 Acre Feet

ITEM #11 - DESCRIPTION OF PROPOSED WORKS AND REMARKS

Pinson Mine is an open pit mining, milling and leaching operation located about 40 miles northeast of Winnemucca, in Humboldt County, Nevada. Currently, four open pits are active: the C, CX, CX-West and Mag pits. The CX pit encompasses a portion of the existing Granite Creek stream channel. Granite Creek originates in the southern foothills of the Osgood Mountains above and west of the Pinson Mine. A portion of Granite Creek stream channel enters the mining area near the northern boundary of Section 32, T38N, R42E, M.D.M. The creek is currently diverted through a course of pipes and culverts, which carry the water through the active mine area allowing mining beneath the existing Granite Creek channel.

There is one surface water right for the water in Granite Creek consisting of 525.0 acre feet, which is a certified right for 1.45 cubic feet per second from April 1 to September 30 for agricultural irrigation. The Assignment of Ownership for Permit No. 4802 (Certificate No. 1621) has been updated with the State Engineer's office to show Pinson Mining Company and The Gene & Jo Christison Trust as owners of 50% undivided interest each of 262.50 acre feet for a total of 525.0 acre feet.

This request for an Application to Change is to change the Place of Use for the 525.0 acre feet of Granite Creek. The point of diversion would remain the same as the existing on Permit No. 4802 and the manner of use remains as agricultural irrigation. The purpose of changing the place of use of Permit No. 4802 is twofold; first, Pinson Mining Company needs to rechannel Granite Creek through the mine to continue their mining operations and second, the Christison's would like to utilize the water for agricultural irrigation of their property located within the SE1/4 of Section 3, T37N, R42E, M.D.M., which would be the new place of use.

Pinson Mining Company proposes to construct a pipeline from the existing point of diversion conveying the water through the mining area and continuing the pipeline southerly to the Christison's property in the SE1/4 of Section 3, T37N, R42E. The pipeline located in Section 3 would have valves for dispersing the water into panels to flood irrigate the acreage. In addition, Pinson Mining Company is also filing an Application to Appropriate the excess waters of Granite Creek annually for mining and milling purposes.

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